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OCT 26 1957

The Honorable Percival Brundage/
Director of the Bureau of the Budget
Washington 25, D. C.

Dear Mr. Brundage:

We have carefully studied the "Report on U. S.
Intelligence Activities" [] prepared by Messrs.
Hart Perry and Harry Wilhelm of your International
Division. This is a very interesting report, and contains
many items worthy of consideration.

Enclosed is an analysis of the report and
comments on some of the conclusions and recommendations.

Sincerely,

Allen

Allen W. Dulles
Director

Enclosure

BK
O/IG/LBKirkpatrick:rm (16 Oct 57)
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CIA COMMENTS ON BUREAU OF THE BUDGET

REPORT ON UNITED STATES INTELLIGENCE ACTIVITIES

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- p. 1 : We are gratified that the representatives of the Bureau of the Budget noted significant improvements in the intelligence effort [] For several years now the CIA has devoted considerable attention to the problem of bringing the intelligence community closer together [] and we have felt for some time that notable improvements have been made.
- pp. 2,9 : It is possibly misleading to call COMINT and traditional espionage parallel activities. Neither of these activities would be completely reliable or adequate, alone. Both Communications Intelligence and espionage are susceptible to use as deception vehicles and consequently can act to check each other. Further, expenditures in manpower and money on COMINT activities are on a magnitude far exceeding that of espionage and grouping them together gives a very disproportionate picture.
- pp. 2,9 : The question of "integrity of command" is one exclusively for the Department of Defense. However, we would raise serious questions as to whether this concept, which is basic to our military command structure, is one that could or should be changed.
- pp. 3,9 and 10 : We are in agreement that there should be more and more coordination of clandestine intelligence activities in the planning stage. We also agree that there should be a clearer delineation of collection responsibilities and are attempting to achieve this in our revision of the NSCIDs. The Inter-Agency Priorities Subcommittee of the IAC is charged with reviewing requirements for clandestine collection.
- pp. 3,11 : We endorse the recommendation that the Department of State provide political advisors to the various military commands, and that these advisors should be charged with the responsibility of keeping the commands informed of political developments affecting them. The CIA will be happy to support these political advisors with necessary intelligence information.
- pp. 3,12 : The review of the clandestine intelligence activities of the [] may be necessary, but we believe that the strategic division is an essential component in the present intelligence structure.
- pp. 3,12 : The CIA will be happy to increase the flow to the military commands of information on both national and international Communism.
- pp. 3,13 : In another context we are working on the integration of low-level COMINT (plain text) with other intelligence information. We are in agreement that this might prove economical.

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PP. 3,14 :

[REDACTED]

PP. 4,15 : We are currently reviewing the plans for "hot war" and believe that our arrangements for continuing our activities after the outbreak of hostilities will be much better than they were several months ago. However, it should be recognized that war plans are bound to be nebulous as long as the type of war to be fought remains uncertain.

p. 4 : The tables of personnel strength are not truly reflective of intelligence activities per se. It should be recognized that the personnel strengths include [REDACTED]

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[REDACTED]

peripheral intelligence activity.

p. 12 : The CIA will supply USAFE with intelligence on the Near East. This arrangement is already being put into effect.

p. 16 : The questions raised concerning PP activities [REDACTED] are similar to those which can be asked concerning political and psychological warfare activities in any area of the world. It should be particularly noted that these activities were coordinated in advance with the Department of State and that there was general agreement that they should be undertaken. Naturally, it is difficult to assess the results of any PP activities, but we are reasonably convinced that these have served to assist in keeping the [REDACTED] favorably inclined toward the United States and its objectives.

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p. 17 : The PP activities [REDACTED] are of a different nature and are more specifically governed by NSC directives. There are more convincing evidences that these projects are effective and contribute to keeping alive a spirit of resistance which is a basic U. S. policy.

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p. 18 : We are currently re-examining our support of [REDACTED]

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[REDACTED]
recognized that all of our activities are subjected to annual review by our internal Projects Review Committee.

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